

KENSINGTON & CHELSEA LOCAL PLAN PARTIAL REVIEW

Matter 3 – Delivery Strategy

Issue 3a: Diversity of Housing

Question 1

See our response to Matter 2.

Question 2

It is our understanding that K&C can only meet its housing requirements for the next ten years, instead of the 20 years in the original plan – 2015-2035 (paragraph 35.3.1). However, the Council does refer to a housing trajectory of 15 years in paragraph 35.3.4. We are confused.

It would be unsound to alter the plan period merely to match the land supply. It would be worrying if plan-makers were allowed to arbitrarily alter the plan period just to match the identified land supply. A ten year local plan would be unusual but it would not be exceptional. The NPPF advises that local plans should operate over a period preferably of at least 15 years. A ten year plan would be unsatisfactory in this respect. If the Local Plan is only intended to operate over a ten year period then the Plan should be revised so that is very clear – i.e. the Plan should be revised to say that the Plan will operate only over the period 2015 to 2025. After 2025 it will no longer form part of the development plan.

The new London Plan is on the horizon. If it is found sound it will introduce a new lower capacity-based housing target for K&C of 488dpa. This new figure reflects the assessment of London's capacity in the SHLAA 2017. Once adopted, the new London Plan will automatically update all the housing targets for the London local planning authorities.

Question 3

The Council needs to provide 733dpa plus an appropriate buffer. The calculation of the five year land supply will need to take into account net additions from the beginning of the plan in 2015. Figure 7 of the *Policy Formulation Report – October 2017* provides the following details of net completions in K&C for the first two years in the life of the Plan:

2015/16	341
2016/17	355
Total net completions	696

The other figures provided in Figure 7 are projected completions.

It is difficult to calculate the five year land supply without clarity in the Plan about the length of the plan period. This will determine the residual requirement for calculating the five year housing land supply.

What the residual housing need is depends on the length of the plan period. Assuming that it is 15 years, then the residual housing requirement (less net additions) is 10,299 homes (10,995 minus 696 completions). This means that the new annual average requirement is 846dpa for the remaining 13 years. This would be the Liverpool approach.

The Sedgefield approach would require the deficit to be addressed much sooner - within the next five years. We consider that the Council should address the deficit as soon as possible – just as the government guidance encourages – not least because of the special character of the housing problems in K&C. The Sedgefield approach would require the deficit of 770 homes (that is 733 x 2 minus 696) that has accrued in the first two years of the plan to be made up within the next five years in addition to the five year requirement of 3,665. This would mean a requirement of 4,435 homes.

To this one must add a buffer to the figure of 4,435 of either 5 or 20% based on the past performance of the Council. Depending on which percentage is applied the following figures would result for the next five years:

		Annual average
5%	4,657 homes	931
20%	5,322 homes	1,064

Both figures exceed the Council's stated five year land supply in appendix 1 of the *Policy Formulation Report – October 2017* of 4,410.

Figure 7 and the table at the top of page 23 indicate that the Council has generally under-performed against the housing targets set by the London Plan (the 2011 London Plan established a target of 585dpa plus an increment for Earls Court) except in 2014/15. For this reason we consider that the Council is correct to apply a 20% buffer as it says it will do in paragraph 35.3.3.

This calculation is quite distinct from the assessment by the GLA in its 2013 SHMA of the backlog and how this backlog influences projected household formation and how this then informs the calculation of the OAN. The Council's discussion of this point in paragraphs 2.3.25 to 2.3.27 of the *Policy Formulation Report – October 2017* suggests a misunderstanding of the difference between the calculation of the OAN, how this translates into housing targets, and then how this determines the calculation of the five year land supply. The 5 and 20% buffer is a planning management tool to help ensure that the local authority achieves its housing targets in full by the end of the Plan period.

Question 4

On the basis of the evidence presented by the Council it shows that the Council is unable to demonstrate a five year housing land supply. Table 2.2 indicates that capacity for only 4,410 homes has been identified, or is assumed to come forward in the case of the allowances for windfall and vacant units returning to use.

The information provided in appendix 1 on the site allocations and large sites does not provide information on the planning status of these sites. It is therefore hard for third parties to judge whether these sites will realistically provide a contribution within the next five years. A site may be allocated, but the extent to which it can contribute to the land supply will depend on whether there is an existing permission, or if is about to be permitted etc. The build-out rates appear reasonable but much depends on securing a full, implementable, planning consent.

Question 7

a. The most recent viability assessment – the *Affordable Housing Viability Study Update* April 2017 – concludes that an overall level of between 35% affordable housing of which 50% is provided in the form of affordable rent is a viable policy target (see page 19). The target in Policy CH2 is justified.

The current London Plan does not have a strategic target of 50% affordable housing. It has a target of 17,000 affordable homes a year, which equates to about 40% of the overall housing requirement for London of 42,000dpa, or about 35% of the overall OAN for London of 49,000dpa that the London local planning authorities are expected to plan for.

The Mayor's *Homes for Londoners SPG* is only guidance.

The Mayor of London's strategic target of 50% affordable housing in the draft London Plan is to be achieved by land in the public sector providing generally much higher levels of affordable housing.

b. The Local Plan should adhere to national policy thresholds as expressed in the WMS of 28 November 2014 to only seek S106 obligations and affordable housing from schemes exceeding a floorspace of 1000 sq m or where the scheme involves eleven units or more. We are aware that some London boroughs in bringing forward new plans have gained an exemption from national policy – like Camden. Others, like Sutton and Hammersmith & Fulham, have not.

The Council should adhere in its Local Plan to the national policy thresholds since they were introduced by the Government to provide assistance to small developers and custom and self-builders, helping them to grow and increase in number. The new draft London Plan includes a significant change in emphasis in policy to encourage more small developments to occur – providing 25,000dpa from small sites (under 0.25ha).

c. The tenure split is unsupported by the evidence. The most recent viability study (April 2017) concludes that 35% affordable housing can only be sustained if 50% is provided as affordable rent (page 19).

d. Paragraph 35.3.41 refers to the use of Existing Use Value plus as the basis for judging viability especially when it is unclear what the 'plus' element might correspond to. This is not supported by government policy or guidance. Local plan makers are required by the NPPF to "provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable". While EUV plus might generate sufficient returns for some landowners and developers this cannot be assumed in all cases. Page 10 of the *Affordable Housing Viability Study Update* April 2017 makes this observation: "There is no single threshold land value at which land will come forward for development". Therefore all local plans policies only provide a guide as to what might be expected, and the flexible application of London and local Plan policy is unavoidable to ensure that housing delivery can be sustained and targets met.

We are aware that the Mayor's *Homes for Londoners SPG* recommends the use of EUV plus. This is currently only guidance. It does not have the status of development plan policy. The new London Plan may consolidate the SPG in development plan policy, but this is not a foregone conclusion. Furthermore, unless the 'plus' element is quantified, it has limited use.

We recommend that references to EUV plus are deleted from the Local plan.

e. The blanket disapplication of the vacant building credit that was introduced by the WMS of the 28 November 2014 is unjustified. The argument that such dis-application is justified because the land supply in London is entirely made up of previously developed land is invalid because the same problem confronts many highly constrained local authorities in England such as Birmingham, Brighton, Bristol, the Black Country, Coventry, Crawley, Ipswich, Luton, Oxford, Southampton - all of whom depend entirely, or almost entirely, on the re-development of brownfield land to achieve their housing targets and have very large unmet

housing needs. The purpose of the WMS is to provide assistance to small developers, custom and self-builders to increase the capacity of this sector of the house building industry that has experienced a major decline since 1990.

9. Specialist housing needs. As signalled in its *Housing White Paper* the Government is anxious to increase the supply of older persons housing. The Council should introduce into policy CH1 reference to the older persons housing benchmark targets in the current London Plan. Table A5.1 of the London Plan provides indicative annualised benchmarks to inform local targets and performance indicators. The benchmark target for K&C is 100 units of specialist housing for older people, 60 of which should be available for private sale.

In our representations we recommended that the Council should refer to these targets and consider applications favourably. If performance against the benchmark target is missed in any one year, then the Council should apply a presumption in favour of the development of specialist housing for older people in subsequent years until the under-provision is addressed.

James Stevens, MRTPI
Director for Cities

Email: james.stevens@hbf.co.uk

Tel: 0207 960 1623